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LOK SABHA

The following Bills were introduced in Lok Sabha on the 13th November, 1962:—

BILL No. 102 OF 1962

A bill further to amend the Companies Act, 1956.

BE it enacted by Parliament in the Thirteenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Companies (Amendment) Act, 1962. Short title and duration.

5 (2) It shall remain in force during the period of operation of the Proclamation of Emergency issued under clause (1) of article 352 of the Constitution on the 26th October, 1962.

1 of 1956.

2. In the Companies Act, 1956, after section 293A, the following section shall be inserted, namely:— Insertion of new section 293B.

10 "293B. (1) The Board of directors of any company may, notwithstanding anything contained in sections 293 and 293A or in the memorandum, articles or any other instrument relating to the company, contribute such amount as it thinks fit to the National Defence Fund or any other Fund approved by the Central Government for the purpose of national defence. Power of Board to make contributions to National Defence Fund, etc.

15 (2) Every company shall disclose in its profit and loss account the total amount or amounts contributed by it to the Fund referred to in sub-section (1), during the financial year to which the account relates."

20 3. (1) The Companies (Amendment) Ordinance, 1962, is hereby repealed. Repeal and saving.

(2) Notwithstanding such repeal, anything done under the said Ordinance shall be deemed to have been done under this Act as if this Act had commenced on the 3rd November, 1962.

(819)

STATEMENT OF OBJECTS AND REASONS

Section 293(1) (e) of the Companies Act, 1956, provides that the Board of directors of a public company or of a private company, which is a subsidiary of a public company, may contribute to charitable and other funds not directly relating to the business of the company or the welfare of its employees, any amount not exceeding in aggregate, in any financial year, rupees twenty-five thousand or five per cent. of its average net profits during the three financial years immediately preceding, whichever is greater. If the Board wishes to exceed this limit, it must obtain the consent of the company in general meeting. The general meeting of a company can be called by giving not less than 21 days' clear notice. Thus, the convening and holding of a general meeting of a public company necessarily entails time and expense.

2. Although the above-mentioned restrictions regarding contributions to charitable or other funds are not applicable to the private companies which are not subsidiary of public companies, it may not be possible for many such companies to make such contributions in view of the provisions of their memorandum or articles of association.

3. It was felt that companies may like to make generous contributions to the National Defence Fund which has recently been created by the Government to meet the emergency which has arisen as a result of China's aggression against India, uninhibited by the limits and conditions imposed by section 293(1) (e) of the Companies Act, 1956, or by their memorandum or articles of association. Hence, an Ordinance, namely, the Companies (Amendment) Ordinance, 1962, was promulgated by the President on the 3rd November, 1962, authorizing the Board of directors of companies themselves to make contributions to the National Defence Fund or any other Fund approved by the Central Government for the purpose of national defence, without any limit and without obtaining the sanction of the company in general meeting.

4. The present Bill seeks to replace the aforesaid Ordinance with the addition of a provision for the disclosure in the profit and loss account of a company of the amounts of contributions made to the National Defence Fund or to any other Fund approved for the purpose of National Defence by the Central Government.

N. KANUNGO.

NEW DELHI;
The 7th November, 1962.

***BILL No. 101 OF 1962**

A bill to apply the Registration of Foreigners Act, 1939 and the Foreigners Act, 1946 to certain persons to whom they do not at present apply and further to amend the Foreigners Act, 1946.

BE it enacted by Parliament in the Thirteenth Year of the Republic of India as follows:—

1. This Act may be called the Foreigners Law (Application and Short title.
Amendment) Act, 1962.
- 5 2. Notwithstanding anything contained in any other law for the time being in force, the provisions of the Registration of Foreigners Act, 1939, and the Foreigners Act, 1946, and of the rules and orders made thereunder shall apply to and in relation to any person who, or either of whose parents, or any of whose grand-parents was at any
10 time a citizen or subject of any country at war with, or committing external aggression against, India or of any other country assisting the country at war with, or committing such aggression against, India, as they apply to and in relation to foreigners as defined for the purposes of those Acts.
- 15 3. In the Foreigners Act, 1946,—

Amendment
of Act 31 of
1946.

(a) in section 3, after clause (f) of sub-section (2), the following clause shall be inserted, namely:—

‘(g) shall be arrested and detained or confined;’;

*The President has, in pursuance of clause (3) of article 117 of the Constitution of India, recommended to Lok Sabha the consideration of the Bill.

(b) in section 4,—

(i) before sub-section (2), the following sub-section shall be inserted, namely:—

“(1) Any foreigner (hereinafter referred to as an internee) in respect of whom there is in force any order made under clause (g) of sub-section (2) of section 3, directing that he be detained or confined, shall be detained or confined in such place and manner and subject to such conditions as to maintenance, discipline and the punishment of offences and breaches of discipline as the Central Government may from time to time by order determine.”;

(ii) for sub-sections (3) and (4), the following sub-sections shall be substituted, namely:—

“(3) No person shall— 15

(a) knowingly assist an internee or a person on parole to escape from custody or the place set apart for his residence, or knowingly harbour an escaped internee or person on parole, or

(b) give an escaped internee or person on parole any assistance with intent thereby to prevent, hinder or interfere with the apprehension of the internee or the person on parole. 20

(4) The Central Government may, by order, provide for regulating access to, and the conduct of person in, places in India where internees or persons on parole are detained or restricted, as the case may be, and for prohibiting or regulating the despatch or conveyance from outside such places to or for internees or persons on parole therein of such articles as may be prescribed.”. 25 30

Repeal and
saving.

4. (1) The Foreigners Law (Application and Amendment) Ordinance, 1961 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act, as if this Act had commenced on the 26th October, 1962. 35

STATEMENT OF OBJECTS AND REASONS

In view of the present emergency, it is necessary that powers should be available to deal with any person not of Indian origin who was at birth a citizen or subject of any country at war with, or committing external aggression against, India or of any other country assisting the country at war with, or committing such aggression against, India but who may have subsequently acquired Indian citizenship in the same manner as a foreigner. It is also necessary to take powers to arrest and detain or confine these persons and the nationals of all such countries under the Foreigners Act, 1946, should the need arise.

2. Since the Parliament was not in session and immediate action had to be taken in the interests of national security, an Ordinance called the Foreigners Law (Application and Amendment) Ordinance, 1962, was promulgated on the 30th October, 1962, to take the above powers. The object of the Bill is to convert this Ordinance into an Act of Parliament.

NEW DELHI;

LAL BAHADUR.

The 7th November, 1962.

FINANCIAL MEMORANDUM

It is proposed to amend the Foreigners Act, 1946, to take powers to arrest and detain or confine foreigners where such action becomes necessary during the present emergency. As 'foreigners' is a Union subject all expenditure incurred in connection with such detention, etc., of foreigners will be met from the Consolidated Fund of India. It is not possible to anticipate the order of expenditure as it will depend on several uncertain factors including the number of foreigners who may have to be detained. The estimates of the expenditure will, however, be placed before Parliament in the form of supplementary demands during the current financial year.

M. N. KAUL,
Secretary.